

As health care costs rise, small businesses are forced to make workers pay a greater portion of these expensive premiums. In 2008, for example, employees at small businesses that did provide health insurance paid more than twice what they paid just 8 years earlier—twice as much.

The low rate of offering and higher cost-sharing responsibilities for employees in small businesses often limit the ability of small businesses to attract and retain employees.

That is why the health care bill before us includes many provisions to make quality coverage for small business more affordable not only for the businesspeople but for their employees. Before the managers' amendment, the bill did include \$24 billion in tax credits to help small businesses and charitable organizations purchase health insurance for their employees.

The managers' amendment dedicates additional billions to providing tax credits to small businesses to make health insurance more affordable. The Congressional Budget Office and the Joint Committee on Taxation, which I know is near and dear to the heart of the Presiding Officer—after all, they are an independent arbiter. They can tell us with objectivity what this legislation is or is not—they estimate that the tax credit for small businesses will provide \$40 billion in tax relief to small businesses over their first 10 years.

In addition, we start the tax credits a year early; that is, we start them in 2010. In the earlier bill, it was 2011. In the managers' amendment, we start in 2010, right away. This means that in just over a week, after the legislation is passed and signed into law, eligible small businesses will be able to receive tax credits to help them buy health insurance for their employees. This expansion of the tax credits means eligible small businesses will now be able to receive up to 6 years of tax credits. So now starting in 2010, eligible small businesses will receive tax credits worth up to 35 percent of the employer's contribution to employee health insurance plans—35 percent.

Then in 2014, it is even better. Eligible small businesses will receive tax credits worth up to 50 percent of the employer's contribution to employee health insurance plans purchased in health insurance exchanges. The employer would get 50 percent of the cost of the health insurance, that would be available for credit; that is, the employer can credit 50 percent, subtract from his income taxes 50 percent of the cost of insurance.

What do you have to do to qualify? Businesses must cover at least 50 percent of employee premium costs. If you cover half the employee costs, you get to subtract your half from your income taxes. The value tax credit is based on the size of the business and the average wage paid to its employees.

The managers' amendment strengthens the assistance to small businesses by expanding the small business tax

credit. In the managers' amendment, the tax credit will be available to small businesses with fewer than 25 employees and less than \$50,000 average annual wages. And the full value of the tax credit is now available to small businesses with 10 or fewer employees and \$25,000 or less in average annual wages. It moved up from \$20,000 to \$25,000 so more small businesses can qualify and take advantage of that tax credit. By expanding the wage thresholds, which I just described, more small businesses will be able to claim the tax credits. And tax credits will phase out more slowly as wages increase. This was a high priority for small businesses. We recognized that and responded to it.

The small business tax credit will help make insurance affordable for many small businesses. In 2011, 4.2 million Americans will be covered by quality, affordable health coverage; 4.2 million Americans will be able to take advantage of this. On average, small businesses across the country would receive a new tax credit of about \$4,900 to help them purchase insurance. That is per employee, \$4,900 to help them purchase insurance for their employees.

The CBO estimates that the small business tax credit will help lower insurance costs by 8 to 11 percent for the employees of small businesses receiving the credit. Let me say that again. CBO estimates that the small business credit will help lower insurance costs by 8 to 11 percent for the employees of small businesses who receive their credit. Without the small business tax credit, many people would have to buy insurance through the exchange on their own without the benefit of a contribution from their employer.

One of the reasons many small businesses are currently unable to afford health insurance is because small businesses lack the buying power larger companies have to negotiate affordable group rates. The Senate bill creates small business insurance exchanges, known as SHOP exchanges, where small businesses can band together and pool their risks, which will enhance their choice and buying power. These State-based exchanges will be a critical tool to help small businesses with fewer than 100 employees shop for health insurance plans and determine their eligibility for tax credits to buy health insurance. Small businesses that prosper and grow beyond 100 employees would be allowed to continue shopping through the exchanges—pooling. The insurance plans sold in SHOP exchanges would be subject to the same transparency requirements and consumer protections, so small businesses can feel confident they are purchasing high-quality plans that will provide quality, affordable coverage for their workers.

The legislation also institutes reforms in the insurance market that will protect individuals and small businesses purchasing plans both inside and outside these SHOP exchanges. These reforms will stop insurance companies

from denying coverage based on a person's preexisting health condition or increasing a person's health insurance premiums based on health status or on gender and occupation—a practice that just has to be stopped.

These new regulations are essential to helping small businesses keep health care costs predictable from year to year. That is one of the big problems. Small businesses face this sea of chaos, of volatility, uncertainty, unpredictability in knowing what their insurance costs will or will not be. That is why insurance companies cherry-pick and take advantage for themselves to maximize their profits, but it has the opposite effect on small businesses. This will help, frankly, to buy a lot more certainty that we desperately need.

The changes in the managers' amendment will go the extra step and ensure this bill provides small businesses with the help they so desperately need. Passing health care reform is critical to small businesses. Without reform—this is no small matter; I am not blowing smoke here—without reform, many small businesses will be forced to drop their health insurance coverage they may already have because they can no longer afford it. They cannot afford the increase in premiums. This will leave many employees to fend for themselves in the individual market. We know without this bill passing how unfair the individual market is to people.

Many of the provisions in this bill were designed with small businesses in mind. The bill gives small businesses access to a reformed marketplace where they will have improved buying power to negotiate rates. And the Senate bill provides tax credits to help small businesses buy health insurance for their employees.

Data from CBO tells us that these reforms will make coverage more affordable for millions of small business employees. The small business tax credit will help reduce health care costs for small businesses and their employees. As a result of the larger health reform proposals in the bill, there will be an increase in the percentage of small firms that offer health insurance coverage.

We must act to help small businesses access to quality, affordable health care options for their employees. Too many small businesses around the country are waiting.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. BARRASSO. Mr. President, I just heard my colleague from Montana talk about jobs that are going to be lost, and the jobs are going to be lost if this bill passes.

There was an article in the Wall Street Journal that quoted the Federation of Independent Business, a wonderful organization that works so well with small businesses in this country. Their prediction is that if this passes—if this passes—the mandates in this bill will mandate that employers provide